

TUESDAY, NOVEMBER 9, 1999
FIFTH LEGISLATIVE DAY
SECOND EXTRAORDINARY SESSION

The House met at 12:00 p.m. and was called to order by Mr. Speaker Naifeh.

The proceedings were opened with prayer by Representative West.

Representative West led the House in the Pledge of Allegiance to the Flag.

ROLL CALL

The roll call was taken with the following results:

Present 96

Representatives present were: Armstrong, Arriola, Baird, Beavers, Black, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Bunch, Buttry, Chumney, Cole (Carter), Cole (Dyer), Cooper, Curtiss, Davidson, Davis (Cocke), Davis (Washington), DeBerry J., DeBerry L., Dunn, Eckles, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Gunnels, Hagood, Hargett, Hargrove, Harwell, Hassell, Head, Hood, Jackson, Jones S., Jones U., Kent, Kernell, Kerr, Kisber, Langster, Lewis, Maddox, McAfee, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Odum, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Rhinehart, Ridgeway, Rinks, Roach, Sands, Sargent, Scroggs, Sharp, Stulce, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Walker, Walley, West, Westmoreland, White, Whitson, Williams, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 96.

EXCUSED

The Speaker announced that the following member(s) has/have been excused, pursuant to request(s) under **Rule No. 20**:

Representative Bittle; illness.

Representative Caldwell; business reasons.

Representative Robinson; personal reasons.

SPONSORS ADDED

Under **Rule No. 43**, the following members were permitted to add their names as sponsors as indicated below, the prime sponsor of each having agreed to such addition:

House Joint Resolution No. 9: Rep(s). Garrett and Davidson as prime sponsor(s).

MESSAGE FROM THE SENATE
November 9, 1999

MR. SPEAKER: I am directed to transmit to the House, Senate Joint Resolution(s) No(s). 10; adopted for concurrence.

CLYDE W. McCULLOUGH, JR., Chief Clerk.

Senate Joint Resolution No. 10 -- Memorials, Sports - 1998-1999 Soddy-Daisy Lady Trojan softball team, TSSAA Class AAA state champions. by *Crutchfield.

MESSAGE FROM THE SENATE
November 9, 1999

MR. SPEAKER: I am directed to transmit to the House, Senate Joint Resolution(s) No(s). 5 and 7; adopted for concurrence.

CLYDE W. McCULLOUGH, JR., Chief Clerk.

Senate Joint Resolution No. 5 -- Memorials, Recognition - New Sardis Missionary Baptist Church, 125th Anniversary. by *Dixon.

Senate Joint Resolution No. 7 -- Memorials, Death - Marian Douglas (Doug) Brown Kirby. by *Graves.

MESSAGE FROM THE SENATE
November 9, 1999

MR. SPEAKER: I am directed to return to the House, House Joint Resolution(s) No(s). 2, 4, 5, 6 and 7; all concurred in by the Senate.

CLYDE W. McCULLOUGH, JR., Chief Clerk.

ENROLLED BILLS
November 9, 1999

The following bill(s) have been compared, enrolled, and are ready for the signature(s) of the Speaker(s): House Joint Resolution(s) No(s). 2, 4, 5, 6 and 7.

BETTY KAY FRANCIS, Chief Engrossing Clerk.

SIGNED
November 9, 1999

The Speaker signed the following: House Joint Resolution(s) No(s). 2, 4, 5, 6 and 7.

BETTY KAY FRANCIS, Chief Engrossing Clerk.

MESSAGE FROM THE SENATE

November 9, 1999

MR. SPEAKER: I am directed to return to the House, House Joint Resolution(s) No(s). 2, 4, 5, 6 and 7; signed by the Speaker.

CLYDE W. McCULLOUGH, JR., Chief Clerk.

REPORT OF CHIEF ENGROSSING CLERK

November 9, 1999

The following bill(s) have been transmitted to the Governor for his action: House Joint Resolution(s) No(s). 2, 4, 5, 6 and 7.

BETTY KAY FRANCIS, Chief Engrossing Clerk.

RESOLUTIONS

Pursuant to **Rule No. 17**, the following resolution(s) was/were introduced and placed on the Consent Calendar for November 10, 1999:

House Joint Resolution No. 12 -- Memorials, Retirement - Dr. Gerald Stowe, President/Treasurer of Tennessee Baptist Children's Homes. by *Fowlkes.

House Joint Resolution No. 13 -- Memorials, Professional Achievement - Mahailiah Hughes, Sumner County Criminal Court Clerk, "Outstanding Court Clerk of Tennessee." by *Black, *McDonald.

House Joint Resolution No. 14 -- Memorials, Public Service - Peggy Houston. by *Walker (Rhea), *Curtiss.

House Joint Resolution No. 15 -- Memorials, Personal Achievement - Ricardo "Ricky" Marrero, Eagle Scout. by *Buttry.

House Joint Resolution No. 16 -- Memorials, Personal Achievement - Rob Huffaker, Eagle Scout. by *Buttry.

House Joint Resolution No. 17 -- Memorials, Personal Achievement - Todd W. Miller, Eagle Scout. by *Buttry.

House Joint Resolution No. 18 -- Memorials, Personal Achievement - John Burnette "Jay" Hollinsworth, Eagle Scout. by *Buttry.

House Joint Resolution No. 19 -- Memorials, Personal Achievement - Richard S. Rasmussen, Eagle Scout. by *Buttry.

House Joint Resolution No. 20 -- Memorials, Personal Achievement - Thomas M. "Matt" Vann, Eagle Scout. by *Buttry.

House Joint Resolution No. 21 -- Memorials, Personal Achievement - Trey Nennstiel, Eagle Scout. by *Buttry.

House Joint Resolution No. 22 -- Memorials, Personal Achievement - Keith McMillan, Eagle Scout. by *Buttry.

SENATE JOINT RESOLUTIONS (Congratulatory and Memorializing)

Pursuant to **Rule No. 17**, the resolution(s) listed was/were noted as being placed on the Consent Calendar for November 10, 1999:

Senate Joint Resolution No. 5 -- Memorials, Recognition - New Sardis Missionary Baptist Church, 125th Anniversary. by *Dixon.

Senate Joint Resolution No. 7 -- Memorials, Death - Marian Douglas (Doug) Brown Kirby. by *Graves.

Senate Joint Resolution No. 10 -- Memorials, Sports - 1998-1999 Soddy-Daisy Lady Trojan softball team, TSSAA Class AAA state champions. by *Crutchfield.

INTRODUCTION OF BILLS

On motion, the following bills were introduced and passed first consideration:

***House Bill No. 10** -- Taxes, Real Property - Requires each county and municipality to annually submit tax expenditure report identifying impact of various property tax exemptions; directs comptroller to prepare annual summary report based upon such data. Amends TCA Title 9, Chapter 3. by *Kernell. (SB21 by *Haynes)

House Bill No. 11 -- Taxes - Provides that persons contracting with counties, municipalities, the state, or entities of any of those must be registered to collect sales and use taxes; allows information sharing. Amends TCA Title 5; Title 6; Title 8; Title 9; Title 12; Title 45; Title 48; Title 55; Title 56; Title 57; Title 67 and Title 68. by *Kisber. (*SB16 by *Cooper, *Henry)

***House Bill No. 12** -- Taxes, Sales - Imposes 1 percent state sales tax on numerous types of services and tangible personal property previously untaxed; deletes several state sales tax exemptions; imposes excise and franchise taxes on sole proprietorships, general partnerships and not-for-profit professional service businesses; and captures compensation in excess of \$100,000 in net earnings/net loss calculation for excise tax purposes. Amends TCA Title 67. by *Stulce. (SB20 by *Crutchfield, *Crowe)

House Bill No. 13 -- Taxes, Sales - Deletes sales tax credit for qualified, new or expanded headquarters facilities. Amends TCA Title 67. by *Stulce. (*SB18 by *Haun)

House Bill No. 14 -- Taxes, Sales - Eliminates sales tax exemptions; reduces state sales tax rate to 4 percent; reduces local option maximum rate to 1.5 percent. Amends TCA Title 67, Chapter 6. by *Patton. (*SB9 by *Crowe)

***House Bill No. 15** -- Taxes - Creates task force to provide information and recommendations to 101st General Assembly concerning level of taxation of alcoholic beverages, beer and wine; deletes all amusement tax exemptions; deletes authority of commissioner to refund amount of sales and use tax paid by motion picture production company if certain conditions met. Amends TCA Title 57 and Title 67. by *Ford S. (SB33 by *Haun)

House Bill No. 16 -- Budget Procedures - Creates oversight commission on government spending to examine state budget for fraud, waste and abuse. Amends TCA Title 8 and Title 9. by *DeBerry L, *Bowers. (*SB19 by *Dixon, *Graves)

House Bill No. 17 -- Taxes, Franchise - Authorizes credit from combined franchise/excise tax liability equal to employer's share of insurance premium paid for employee who is included as covered employee under employer's health care plan if employee was covered by TennCare prior to being included in employer's plan. Amends TCA Title 50; Title 56; Title 67 and Title 71. by *Kisber. (*SB06 by *Cooper)

House Bill No. 18 -- Taxes - Makes various changes pertaining to revenue allocation and oversight. Amends TCA Title 5; Title 6; Title 8; Title 9; Title 12; Title 45; Title 48; Title 55; Title 56; Title 57; Title 67 and Title 68. by *Kisber. (*SB28 by *Cooper)

House Bill No. 19 -- Taxes - Requires collection of any tax measured by income earned by or paid to an individual enacted by general assembly to be suspended until general state-wide referendum held and imposition, increase or collection approved by majority of voters voting in election. Amends TCA Title 67. by *Beavers. (*SB27 by *Blackburn, *Miller J, *Carter, *Burchett, *Fowler, *Williams, *Ramsey, *Leatherwood)

House Bill No. 20 -- Taxes - Enacts "The Health Insurance Responsibility Act of 1999.". by *Walley. (*SB26 by *McNally)

House Bill No. 21 -- Appropriations - Requires appropriation from recurring revenues for estimated share of operating cost for any law enacted after this bill that results in net increase in state share of cost of medical assistance provided through Medicaid or TennCare. Amends TCA Title 9, Chapter 6. by *Walley. (*SB23 by *McNally)

House Bill No. 22 -- Taxes - Enacts "The Employers Health Responsibility Act of 1999.". by *Walley. (*SB24 by *McNally)

House Bill No. 23 -- Taxes - Imposes tax of \$15.00 per covered individual on administrators of health insurance claims, regulated insurance companies and employers that adjudicate health insurance claims of its employees. Amends TCA Title 56. by *Walley. (*SB22 by *McNally)

House Bill No. 24 -- Taxes - Imposes 1 percent tax on gross amount of all dollars collected from enrollee or on enrollee's behalf by all insurers, medical service plans, hospital service corporations and hospital and medical service corporations and HMOs offering health insurance in this state. Amends TCA Title 56, Chapter 32 and Title 56, Chapter 4. by *Walley. (*SB25 by *McNally)

House Bill No. 25 -- Fees - Clarifies amount of fees to be paid and effective dates to practice as limited licensed electrician; requires department of commerce and insurance in cooperation with board for licensing contractors to develop mechanism to require only one registration and to develop method to stagger issuance of license for limited licensed electricians. Amends TCA Title 62, Chapter 6, Part 1. by *Curtiss. (*SB32 by *Cooper)

House Bill No. 26 -- Taxes, Sales - Requires all businesses with gross sales of more than \$100,000 in 12 months preceding this act to report quarterly to department of revenue on gross sales; department to compile information and make reports to general assembly. Amends TCA Title 67. by *Sharp. (*SB17 by *Fowler)

House Bill No. 27 -- Taxes - Enacts "The Comprehensive Tax Reform Law of 1999" and authorizes use of net worth not computed by GAAP to be the measure of franchise taxes. Amends Titles 7, 12, 30, 57 and 67. by *Head, *McAfee. (*SB38 by *Rochelle, *Elsea)

House Bill No. 28 -- Taxes - Enacts "The Comprehensive Tax Reform Law of 1999"; revises inheritance and gift tax laws. Amends Titles 7, 12, 30, 57 and 67. by *Head, *McAfee. (*SB37 by *Rochelle, *Elsea)

House Bill No. 29 -- Taxes - Enacts "The Comprehensive Tax Reform Law of 1999"; makes various technical corrections to franchise and excise tax law enacted in 1999. Amends TCA Titles 7, 12, 30, 57 and 67. by *Head, *McAfee. (*SB36 by *Rochelle, *Elsea)

House Bill No. 30 -- Taxes, Income - Reduces general state sales tax rates; adjusts certain specific sales tax rates; enacts "The Tennessee Flat Tax Law of 1999." Amends TCA Titles 7, 12, 30, 57 and 67. by *Head, *McAfee. (*SB34 by *Rochelle, *Elsea)

House Bill No. 31 -- Taxes, Income - Repeals Halls income tax; enacts "The Tennessee Flat Tax Law of 1999." Amends TCA Titles 7, 12, 30, 57 and 67. by *Head, *McAfee. (*SB35 by *Rochelle, *Elsea)

HOUSE BILLS ON SECOND CONSIDERATION

On motion, bills listed below passed second consideration and were referred by the Speaker to Committee or held on the Clerk's desk as noted:

House Bill No. 5 -- Taxes -- House Finance, Ways and Means Committee

House Bill No. 6 -- Taxes, Sales -- House Commerce Committee

House Bill No. 7 -- Taxes - House Finance, Ways and Means Committee

***House Bill No. 8** -- Taxes, Income - House Finance, Ways and Means Committee

***House Bill No. 9** -- Fees - House Commerce Committee

CONSENT CALENDAR

House Joint Resolution No. 8 -- Memorials, Retirement - Reverend William A. Suggs. by *Bowers, *Turner (Shelby), *Chumney, *Jones U (Shelby), *DeBerry J, *Miller L, *Pleasant, *Cooper B, *Towns, *Brooks, *Hassell, *Hargett, *Todd, *Scroggs.

House Joint Resolution No. 9 -- Memorials, Public Service - Dr. Hal R. Ramer, President, Volunteer State Community College. by *McDonald, *Black.

House Joint Resolution No. 10 -- Memorials, Public Service - Gaines Melvin Briley. by *McDonald.

House Joint Resolution No. 11 -- Memorials, Public Service - Sumner County School Safety Officer Program. by *McDonald, *Black.

Senate Joint Resolution No. 1 -- Memorials, Death - Jack DeWitt. by *Henry.

Senate Joint Resolution No. 4 -- Memorials, Public Service - Gates Learning Foundation and Microsoft Corporation. by *Henry.

Rep. McDonald moved that all members voting aye on House Joint Resolution(s) No(s). 9, 10 and 11 be added as sponsors, which motion prevailed.

Rep. Bowers moved that all members voting aye on House Joint Resolution No. 8 be added as sponsors, which motion prevailed.

Pursuant to **Rule No. 50**, Rep. Phillips moved that all House Bills having companion Senate Bills and are on the Clerk's desk be conformed and substituted for the appropriate House Bill, all Senate and House Bills on the Consent Calendar be passed on third and final consideration, all House Resolutions and House Joint Resolutions be adopted, and all Senate Joint Resolutions on the Consent Calendar be concurred in, which motion prevailed by the following vote:

Ayes	94
Noes	0

Representatives voting aye were: Armstrong, Arriola, Baird, Beavers, Black, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Bunch, Buttry, Chumney, Cole (Carter), Cole (Dyer), Cooper, Curtiss, Davidson, Davis (Cocke), Davis (Washington), DeBerry J., DeBerry L., Dunn, Eckles, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Gunnels, Hagood, Hargett, Hargrove, Harwell, Hassell, Head, Hood, Jones S., Jones U., Kent, Kernell, Kerr, Kisber, Langster, Lewis, Maddox, McAfee, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Odom, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Rhinehart, Ridgeway, Rinks, Roach, Sands, Sargent, Scroggs, Sharp, Stulce, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Walker, Walley, West, Westmoreland, White, Whitson, Williams, Windle, Wood, Mr. Speaker Naifeh -- 94.

A motion to reconsider was tabled.

ANNOUNCEMENTS

RECOGNITION IN THE WELL

Rep. Williams was recognized in the well to introduce Mr. Al Gregory and family.

RULES SUSPENDED

Rep. Williams moved that the rules be suspended for the purpose of introducing House Resolution No. 1 out of order, which motion prevailed.

House Resolution No. 1 -- Memorials, Public Service - Honors Al Lewis Gregory, Franklin business and civic leader. by *Williams (Williamson).

On motion, the rules were suspended for the immediate consideration of the resolution.

On motion of Rep. Williams, the resolution was adopted by the following vote:

Ayes..... 95
Noes 0

Representatives voting aye were: Armstrong, Arriola, Baird, Beavers, Black, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Bunch, Buttry, Chumney, Cole (Carter), Cole (Dyer), Cooper, Curtiss, Davidson, Davis (Cocke), Davis (Washington), DeBerry J., DeBerry L., Dunn, Eckles, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Gunnels, Hagood, Hargett, Hargrove, Harwell, Hassell, Head, Hood, Jackson, Jones S., Jones U., Kent, Kernell, Kerr, Kisber, Langster, Lewis, Maddox, McAfee, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Odom, Patton, Phelan, Phillips, Pinion, Pleasant, Rhinehart, Ridgeway, Rinks, Roach, Sands, Sargent, Scroggs, Sharp, Stulce, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Walker, Walley, West, Westmoreland, White, Whitson, Williams, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 95.

A motion to reconsider was tabled.

RULES SUSPENDED

Rep. Williams moved that the rules be suspended to recognize Mr. Gregory for remarks, which motion prevailed.

RULES SUSPENDED

Rep. McDaniel moved that the rules be suspended for the purpose of introducing House Resolution No. 2 out of order, which motion prevailed.

House Resolution No. 2 -- Memorials, Sports - Maggie Silvers and Coach Denise Joyner of Lexington High School. by *McDaniel.

On motion, the rules were suspended for the immediate consideration of the resolution.

On motion of Rep. McDaniel, the resolution was adopted.

A motion to reconsider was tabled.

RULES SUSPENDED

Rep. Hargrove moved that the rules be suspended to extend the bill filling deadline from the close of business on November 9, 1999 to the close of business on November 10, 1999. The motion, seconded by Rep. McDaniel, prevailed.

**ENGROSSED BILLS
November 9, 1999**

The following bill(s) have been examined, engrossed, and are ready for transmission to the Senate: House Joint Resolution(s) No(s). 8, 9, 10 and 11.

BETTY KAY FRANCIS, Chief Engrossing Clerk.

**MESSAGE FROM THE SENATE
November 9, 1999**

MR. SPEAKER: I am directed to transmit to the House, Senate Joint Resolution(s) No(s). 1 and 4; for the signature of the Speaker.

CLYDE W. McCULLOUGH, JR., Chief Clerk.

**MESSAGE FROM THE GOVERNOR
November 9, 1999**

MR. SPEAKER: I am directed by the Governor to return herewith: House Joint Resolution(s) No(s). 3, with his approval.

MICHELLE LONG, Counsel to the Governor.

ROLL CALL

The roll call was taken with the following results:

Present 96

Representatives present were: Armstrong, Arriola, Baird, Beavers, Black, Bone, Bowers, Boyer, Briley, Brooks, Brown, Buck, Bunch, Buttry, Chumney, Cole (Carter), Cole (Dyer), Cooper, Curtiss, Davidson, Davis (Cocke), Davis (Washington), DeBerry J., DeBerry L., Dunn, Eckles, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Gunnels, Hagood, Hargett, Hargrove, Harwell, Hassell, Head, Hood, Jackson, Jones S., Jones U., Kent, Kernell, Kerr, Kisber, Langster, Lewis, Maddox, McAfee, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Odom, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Rhinehart, Ridgeway, Rinks, Roach, Sands, Sargent, Scroggs, Sharp, Stulce, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Walker, Walley, West, Westmoreland, White, Whitson, Williams, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 96.

RECESS MOTION

On motion of Rep. Hargrove, the House stood in recess until 12:00 p.m., Wednesday, November 10, 1999.